

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Division of State Parks
Honolulu, Hawaii 96813

January 27, 2012

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawai'i

Kaua'i

Request to Cancel the Assignment of General Lease No. SP-0182 Kumuwela, Inc., Assignor, to Derek L. Souza, Assignee, Lot 30, Kōke'e Campsites Lots, Waimea (Kona), Kaua'i, Hawai'i, TMK: (4) 1-4-004:020

APPLICANT:

Kumuwela, Inc., Assignor, to Derek L. Souza, Assignee.

LEGAL REFERENCE:

Section 171-36(a)(5), Hawaii Revised Statutes, as amended.

LOCATION:

Lot 30, Waimea (Kona), Kaua'i, Tax Map Key: (4)1-4-004:020.

AREA:

.84 acres, more or less.

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES _ NO X

CHARACTER OF USE:

Recreation - residence.

ITEM E-1

TERM OF LEASE:

Twenty (20) years, commencing January 1, 2009, and expiring on December 31, 2029.
There is one rental reopening scheduled after ten years.

ANNUAL RENTAL:

\$4,800.00.

CONSIDERATION:

\$50,000 pursuant to the Purchase Contract.

RECOMMENDED PREMIUM:

\$25,000.00.

DCCA VERIFICATION:

Applicant is in good standing.

REMARKS:

On November 10, 2011, the Board approved Kumuwela Inc.'s request to assign the lease to Mr. Derek Souza. The assignment included a recommended premium of \$25,000 pursuant to the Board's Assignment of Lease Evaluation policy. The Board approved the submittal and the premium amount.

Vice President of Kumuwela Inc., Mr. Erik Coopersmith objected to the premium on the grounds that certain deductions should be made for the purposes of calculating the premium including 1) payment for past lease assignments, 2) furniture and other personal property and 3) closing costs. Staff indicated to Mr. Coopersmith that based on the documents submitted, the premium was justified.

On December 9, 2011, the Division of State Parks received an email message from Mr. Coopersmith seeking to retract the request to transfer the lease.

No comments have been received from any agency or the community.

RECOMMENDATION:

That the Board approve the request to cancel the assignment General Lease No. SP0182 from Kumuwela Inc., Assignor to Derek L. Souza, Assignee.

Respectfully submitted,



DANIEL S. QUINN
State Parks Administrator

APPROVED FOR SUBMITTAL:



WILLIAM J. AILA, JR., Chairperson